Logistics Enterprise Integration Advisory Board

Setting the Stage

17 Nov 03

Setting the Stage

- **Purpose: Set the stage for today's Army Logistics Enterprise Integration Advisory Board**

Collaborative Team Approach

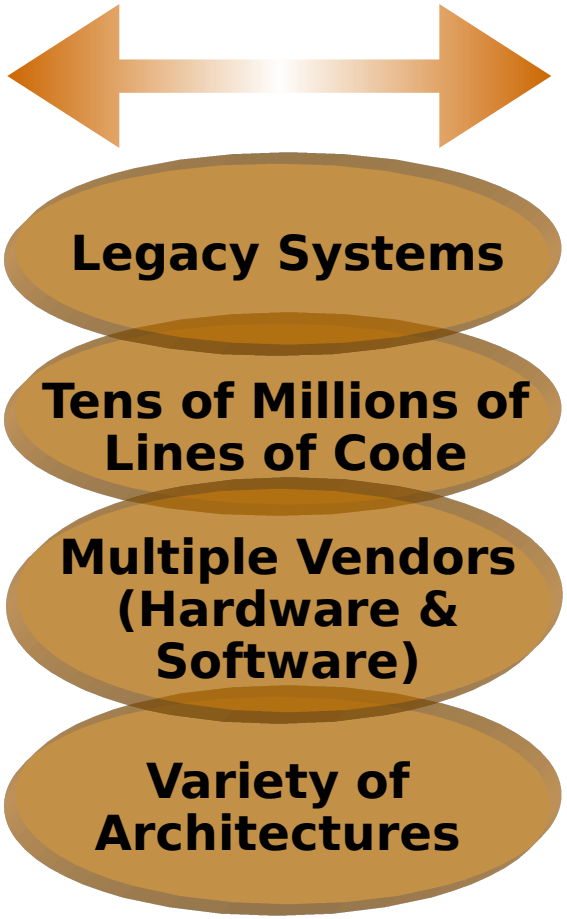
- **Topics:**
  - **Why we need Army Logistics Enterprise Integration**
  - **Where we've been**
  - **Strategic view of where we are going**
  - **Road Ahead**

Today's Session Moves us down the road!

Army Logistics Enterprise Integration

Today's Sub-optimized Environment

- Multiple organizations with decentralized business models
- Large set of legacy "stovepiped" systems
- Heavily invested in several logistics systems modernization efforts that have not been formally integrated
- No common measure of performance for automated systems at an enterprise level



- No organization structure to support enterprise-wide collaboration
- Decentralized – disparate roles, processes & responsibilities leading to redundancies across the Army
- No "one Army enterprise" cultur

Focus of Advisory Board

Decentralized Environment – Stovepipes & Views

Integrated Logistics Enterprise = Common Operating Picture

Observations from Industry

- **ERP is the gold standard for coordination of business processes**
  - >70% of world's Multi-national Corporations' use SAP R/3
- **Meta Group SAP/ERP Client Study (2003)**
  - Enhanced business processes 91%
  - Improved analysis and reporting 79%
  - Improved customer service 76%
  - Reduced personnel costs 74%

Take-away point

Right thing to do, but it is hard work and results take some time

Post Go-Live Productivity Dip Survey

- **75% experience a moderate to severe productivity dip**
- **24% report no dip in productivity**
- **25% report a dip lasting one year**
- **>50% report a dip of less than 6 months**

- **Advancing to the forefront of industry practice is not an easy task**
- ***ERP paradox:***
  1. Implementation is very hard work.
  2. It is a **"do it yourself"** project.
  3. It is not the #1 priority.
     - Army/AMC mission-underscored

*Dr. Baba—Consultant/Michigan State University—Conducted Study (Managing Human, Organizational and Cultural Factor in AMC's LMP)

Integrated Logistics Enterprise = Common Operating Picture

Where We've Been

Setting the right foundation to address vision, process, organization, and project synchronization

- **Governance**
  - **Published Army Knowledge Management (AKM) Memo # 4, Army Logistics Enterprise Integration, 15 Jul 03**
  - **Conducted ESCs - 31 Mar 03 & 16 Jul 03**
  - **Stood up Strategies, Architecture and Standards Group on 28 Oct 03**
- **Process**
  - **Business process construct**
  - **Portfolio Management**
- **Projects**
  - **LMP: Deployment phase**
  - **GCSS Army: Project preparation phase**
- **People**
  - **Request for qualified SMEs released**

Army Logistics Enterprise Integration

Mission & Vision

➔ **Mission: Transform Army Logistics to fully support the Current and Future Forces – Unit of Action/Unit of Employment (Future Combat Systems)**

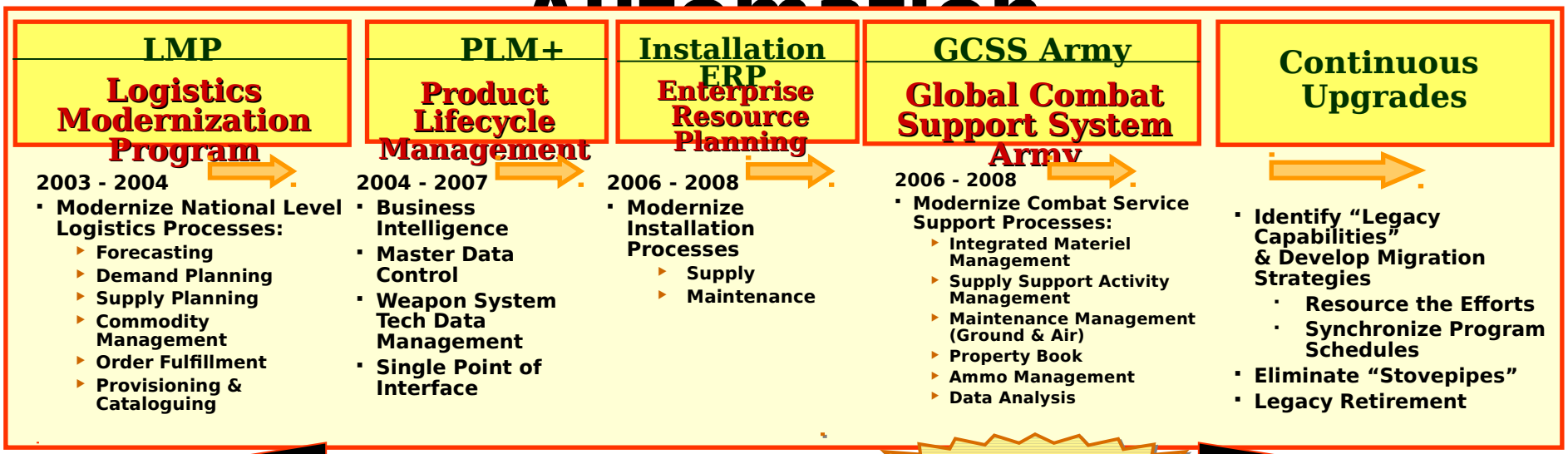
➔ **Vision: *"A fully integrated knowledge environment that builds, sustains, and generates Warfighting capability through a fully integrated logistics enterprise based upon collaborative planning, knowledge management, and best business practices"***

Strategic Objectives

- **Implement an Integrated Enterprise Logistics system that:**
  - **Provides a common operating picture**
  - **Provides Commanders at all levels significantly improved capabilities to build combat power and manage readiness**
  - **Instills confidence through accuracy, reliability, connectivity and visibility**
  - **Supports Army Transformation deployment timelines**
  - **Accommodates changes driven by OPTEMPO and best business practice innovation**
- **Enable vertical and horizontal integration at all logistics echelons**
- **Establish integrated business processes and rules**
- **Deliver Logistics chain management from the National level through the training/sustaining base to the CSS unit level**
- **Ensure support of Joint and Multi-national Interoperability requirements**

Integrated Logistics Enterprise = Common Operating Picture

Integrating Army Logistics Automation



End-to-End Integration

Ensure Joint Interoperability

Supply Chain Optimization

Tech & Quality | Demand Planning | Supply Planning | Financial | Procurement | Order Fulfillment

BEA – BEA-LOG – Army Logistics Enterprise Architecture

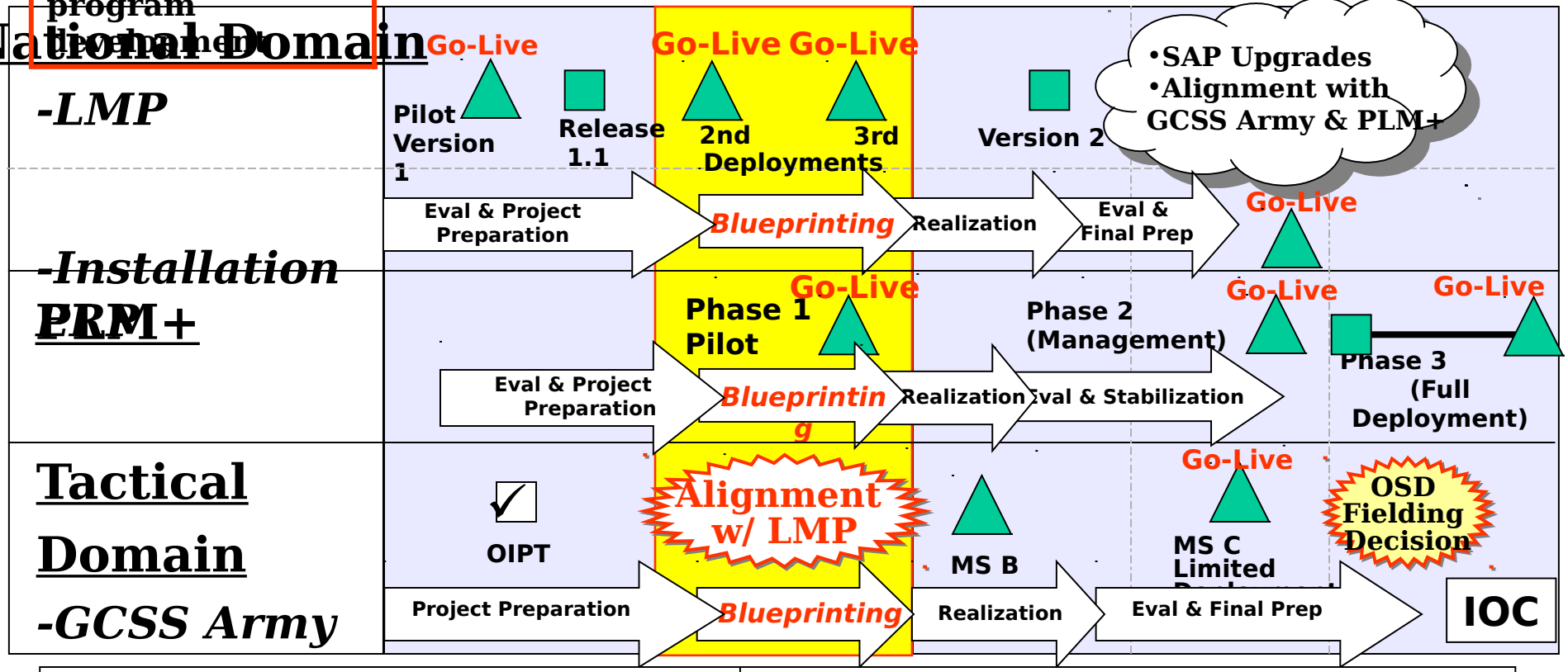
Business Enterprise Architecture

Force - Centric Logistics Enterprise

Integrated Logistics Enterprise = Common Operating Picture

nchronizing ERP Schedules, Processes & Investme

2004 will be crucial to program development



Integration & Control Mechanisms

- *SASG*
- *Portfolio Management*
- *Business Process Owners*

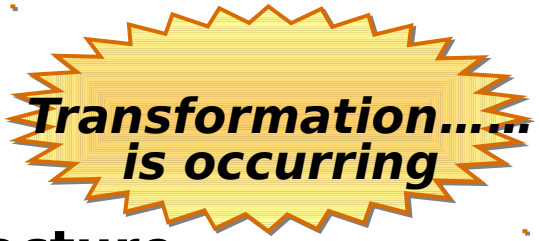
Key Oversight Forums

- *Advisory Board* — Target: Quarterly
- *ESC* — Target: Semi-annually

- •LMP = Logistics Modernization Program
- •GCSS Army = Global Combat Support System Army
- •PLM+ = Product Lifecycle Management Plus
- •ERP = Enterprise Resource Planning solution

Integrated Logistics Enterprise = Common Operating Picture

Conclusion



- **We have the Foundation and Architecture**
- **We are moving out!!!**
- **This is a complex process impacting the entire Army and logistics Transformation**
- **We need your understanding of the fundamentals of ERP and SAP so we can:**
  - Standardize the Army's sustainment processes
  - Identify and mitigate risks
  - Implement an orderly transition
  - Support requisite change management processes (Leadership, Organization Alignment, Participation/ Communication)
  - Input and counsel as we execute